

Summary of Consolidated Financial Results for the First Half of Fiscal Year ending December 31, 2013 (Japanese Accounting Standards)



November 6, 2013

Listed Company Name:  **富士ソフト株式会社** Listing Exchanges: Tokyo Stock Exchange

Securities Code: 9749 URL <http://www.fsi.co.jp/>

Representative: Satoyasu Sakashita, President & Representative Director

Contact: Tatsuya Naito, Operating Officer, Manager of Business Management Group
Phone: +81-45-650-8811 (main)

Scheduled date to submit the Quarterly Securities Report (Shihanki Houkokusho): November 8, 2013
Scheduled date of dividend payment: December 10, 2013
Supplementary documents for quarterly results: Yes
Quarterly results briefing: Yes

(Figures less than one million yen are omitted)

1. Consolidated Business Results for the Six Months Ended September 30, 2013 (April 1, 2013 – September 30, 2013)

(1) Consolidated operating results (cumulative total) (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended 9/13	69,863	-0.6	4,135	3.2	4,733	26.5	2,439	66.2
Six months ended 9/12	70,304	6.9	4,007	90.6	3,740	141.3	1,468	454.3

(Note) Comprehensive income (million yen) Six months ended 9/13: 3,724 (201.3%)
Six months ended 9/12: 1,236 million yen (168.6%)

	Net income per share	Net income per share/diluted
	Yen	Yen
Six months ended 9/13	78.41	78.24
Six months ended 9/12	46.78	46.78

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Six months ended 9/13	150,668	92,316	54.6
Year ended 3/13	153,160	89,233	51.5

Reference: Shareholders' equity (million yen) Six months ended 9/13: 82,193 Year ended 3/13: 78,933

2. Dividends

	Dividend per share				
	End of first quarter	End of interim period	End of third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended 3/13	—	11.00	—	13.00	24.00
Year ending 12/13	—	14.00	—	—	—
Year ending 12/13 (forecast)	—	—	—	7.00	21.00

(Note) Revisions to dividend forecasts published most recently: No

3. Forecast for Consolidated Business Results for the Fiscal Year Ending December 31, 2013

(Apr. 1, 2013 – Dec. 31, 2013) (Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	104,000	—	5,700	—	5,900	—	3,000	—	96.42

(Note) Revisions to forecast for consolidated business results published most recently: Yes

Following the approval of the partial revision to the Articles of Incorporation at the ordinary general meeting of shareholders held on June 24, 2013, the Company has revised the settlement date from March 31 to December 31 from fiscal year 2013. As a result, in the transitional period, the fiscal year ending December 31, 2013, the consolidated period of subsidiaries whose financial period ends on March 31 will be nine months from April 1, 2013 to December 31, 2013. The consolidated period of subsidiaries whose fiscal period ends on December 31 will remain unchanged to be twelve months from January 1, 2013 to December 31, 2013.

Reference

The percentages below (percentage changes after adjustment) are percentage changes from the results of the Company and its consolidated companies whose fiscal year ends on March 31 for nine months in the previous fiscal year (from April 1, 2012 to December 31, 2012) and the results forecast for the same companies for the fiscal year under review.

Net sales		Operating income		Ordinary income		Net income		(Million yen)
104,000	1.8%	5,700	5.9%	5,900	8.1%	3,000	20.2%	

* Notes

- (1) Important changes in subsidiaries during the six-month period under review (changes in specified subsidiaries resulting in change in scope of consolidation): Not applicable
- (2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting principles and changes or restatement of accounting estimates
- (i) Changes in accounting principles due to amendment of accounting standards, etc.: Not applicable
 - (ii) Changes in accounting principles other than (i): Not applicable
 - (iii) Changes in accounting estimates: Not applicable
 - (iv) Restatement: Not applicable

(4) Number of outstanding shares (common shares)

- 1) Number of shares outstanding at the end of period (including treasury stock):
- 2) Number of treasury stock at the end of period
- 3) Average number of shares during the period (quarterly consolidated cumulative period)

9/13:	33,700,000 shares	Year ended 3/13:	33,700,000 shares
9/13:	2,560,625 shares	Year ended 3/13:	2,595,064 shares
9/13:	31,115,075 shares	9/12:	31,384,631 shares

* Status of a quarterly review

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements have not been reviewed at the time of the announcement of this financial summary.

* Cautionary statement with respect to forward-looking statements

The above forecast has been prepared based on data available on the announcement date. Since the data contains uncertainties, actual results may differ materially from the projections above due to changes in business performance and other factors. For assumptions concerning financial forecasts, please refer to 1. Qualitative Information on Consolidated Results for the First Half Ended September 30, 2013, (3) Information on the future outlook, including forecast for consolidated business results on page 4 of the accompanying materials.

Accompanying Materials – Contents

1. Qualitative Information on Consolidated Results for the First Half Ended September 30, 2013	2
(1) Details of consolidated results.....	2
(2) Details of financial position.....	3
(3) Information on the future outlook, including forecast for consolidated business results.....	4
2. Matters Relating to Summary Information (Notes).....	4
(1) Important changes in subsidiaries during the six-month period under review.....	4
(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements....	4
(3) Changes in accounting principles and changes or restatement of accounting estimates.....	4
3. Consolidated Financial Statements	5
(1) Consolidated balance sheet.....	5
(2) Consolidated statements of income and consolidated statements of comprehensive income	7
Consolidated statements of income	
Consolidated first half results.....	7
Consolidated statements of comprehensive income	
Consolidated first half results.....	8
(3) Consolidated cash flow statement	9
(4) Notes to consolidated financial statements.....	11
Note on going concern assumptions.....	11
Note when there is a considerable change in the amount of shareholders' equity	11
Segment information.....	11

1. Qualitative Information on Consolidated Results for the First Half Ended September 30, 2013

(1) Details of consolidated results

During the first half of the consolidated fiscal year under review, the Japanese economy showed signs of a recovery, as improvement in export environments due to a weaker yen and expectations of the government's policy measures (dubbed Abenomics) appeared to boost investment activity especially among large firms. However, given the downside risks from overseas economies such as the slowdown in emerging markets and the European sovereign debt crisis, the outlook remained uncertain.

In the IT industry, demand held firm, reflecting improvement in corporate attitudes toward IT investment on the back of the economic recovery combined with expectations of new services such as public cloud services.

In this business environment, to continue promoting its medium-term policy, "Creating a high value-added structure," the FUJISOFT Group took steps to become an innovative corporate group that links ICT development to greater value for customers.

Specifically, the Group invested its management resources in sectors that have strong market needs and, as a result, received solid orders related to social infrastructure projects, internet businesses and licensing business, and also received orders for large-scale projects related to the financial sector. The Group also made progress toward becoming a prime vendor by strengthening its ability to propose, respond to and manage projects, and continued to focus on strengthening its sales capabilities and improving productivity and product quality to establish an efficient and effective operation promotion structure.

Additionally, the Group opened the Okinawa Development Center in Naha City, Okinawa Prefecture as a base for nearshore development on August 1, 2013, and also established a department specializing in automotive and Microsoft-related business on October 1, 2013.

As for new solution development, the Group independently developed the Raku Raku Upgrade for Windows, a service for upgrading to Windows 7 or Windows 8, to respond to the withdrawal of support for Windows XP in April 2014, and it focussed on supporting the transition to the latest PC environment. The Group marketed this service in a variety of ways, including exhibiting it at the ITpro EXPO 2013, alongside moreNote, the Smart Document Service the Group has been promoting for some time. The Mirai School Station, a system for information distribution in schools aimed at smart learning using ICT and the humanoid robot PALRO were also featured in exhibits at various exhibitions and the media, and the Group linked this publicity and other activities to expansion in orders and net sales.

With respect to the Group's strategy for its organization, Vinculum Japan Corporation and VIXUS INCORPORATED merged and made a start as VINX CORP. on April 1, 2013, which is leveraging the customer base and technical expertise of the two companies to provide high value-added IT services.

As a result of these initiatives, in the consolidated first half under review, net sales fell 0.6% year on year, to 69,863 million yen, reflecting the effect of exclusion of a consolidated subsidiary. Selling, general, and administrative expenses decreased 1.3% year on year, to 12,559 million yen, and operating income was 4,135 million yen (up 3.2% year on year). Ordinary income stood at 4,733 million yen (rising 26.5% year on year), given the recording of equity in the earnings of a financial affiliate. Net income amounted to 2,439 million yen, up 66.2% year on year, reflecting the recording of a gain on change in equity as extraordinary income and a loss on the impairment of fixed assets as extraordinary loss.

Results by business segment were as follows:

(i) SI (system integration) business

In the SI business, sales of embedded/control software decreased, reflecting the effect of business contraction among domestic mobile phone manufacturers, which outweighed solid orders for social-infrastructure-related projects such as network infrastructure projects for network device vendors. Sales of operation software increased due to strong sales related to financial institutions, education-related sectors and internet business on a non-consolidated basis, which offset the effect of the exclusion of a consolidated subsidiary the previous year. In the products and services, sales declined, due to sluggish sales of products for a subsidiary in the securities industry, although on a non-consolidated basis the licensing business performed strongly. In the outsourcing business, sales fell, mainly reflecting the effects of the exclusion of the consolidated subsidiary.

As a result, net sales stood at 65,450 million yen, down 0.9% year on year. Operating income was 3,705 million yen, climbing 4.3%.

* Exclusion of a consolidated subsidiary: The Company transferred all shares in FUJISOFT KCS Co., Ltd., its consolidated subsidiary, on July 31, 2012

* The following table shows a breakdown of net sales in the SI business.

From the fiscal year under review, the Group has also revised the constitution of the operations of the SI business to embedded/control software, operation software, products and services and outsourcing. (Thousand yen)

	Net sales	YoY change (%)
SI business total	65,450,597	99.1
System construction	38,453,854	100.3
Embedded/control software	18,239,435	97.4
Operation software	20,214,418	103.1
Products and services	26,996,743	97.3
Products and services	17,215,345	99.7
Outsourcing	9,781,397	93.4

(ii) Facility business

Sales were 1,020 million yen, up 6.9% year on year, mainly reflecting rental income from office buildings owned by the Company and certain consolidated subsidiaries. Operating income dipped 0.9% year on year, to 336 million yen.

(iii) Other businesses

Sales were 3,392 million yen, rising 3.7% from the previous year, reflecting revenues in the data entry business and the contact center business. Other businesses produced operating income of 93 million yen, down 18.6% year on year.

(2) Details of financial position

(Total assets)

Total assets stood at 150,668 million yen at the end of the first half under review, down 2,492 million yen from the end of the preceding consolidated fiscal year. Current assets were 49,659 million yen (down 2,766 million yen from the end of the previous fiscal year), and noncurrent assets were 101,008 million yen (up 274 million yen).

Important factors in the change in current assets included notes and accounts receivable-trade of 27,454 million yen, a decline of 1,546 million yen.

The main factors for the change in noncurrent assets included a decrease in property, plant and equipment of 1,259 million yen from the end of the previous consolidated fiscal year, to 70,085 million yen, due mainly to depreciation, and the recording of 16,882 million yen in investment securities, among investments and other assets, rising 2,065 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

At the end of the first half under review, total liabilities amounted to 58,351 million yen, down 5,575 million yen from the end of the previous fiscal year. Current liabilities were 35,947 million yen (falling 4,754 million yen from the end of the previous fiscal year), and noncurrent liabilities were 22,403 million yen (sinking 821 million yen).

Primary factors in the change of current liabilities included a decline in the current portion of long-term loans payable of 1,587 million yen from the end of the previous consolidated fiscal year, to 8,121 million yen, due to loan repayment, and a drop in income taxes payable of 1,506 million yen from the end of the previous consolidated fiscal year, to 955 million yen.

Main factors in the change in noncurrent liabilities included a fall in long-term loans payable of 1,375 million yen from the end of the previous consolidated fiscal year, to 13,470 million yen, due to loan repayment.

(Net assets)

Net assets increased 3,083 million yen from the end of the preceding fiscal year, to 92,316 million yen at the end of the first half under review. The equity ratio rose to 54.6%, up from 51.5% at the end of the previous fiscal year.

(Cash flows)

Consolidated cash and cash equivalents (“cash”) at the end of the first half under review were 13,135 million yen, a decrease of 562 million yen from the end of the previous fiscal year.

Cash flows by activity were as follows:

(i) Cash flows from operating activities

Net cash provided by operating activities stood at 3,552 million yen, a fall of 3,155 million in the inflow compared with a year ago.

The principal factors included income before income taxes of 4,727 million yen, depreciation of 3,195 million yen, a decline in accounts payable-labor cost of 685 million yen and income taxes of 2,292 million yen.

(ii) Cash flows from investing activities

Net cash used in investing activities was 2,101 million yen, an increase of 1,240 million yen in the outflow from a year ago.

The principal factors were payments of 2,396 million yen for the purchase of property, plant and equipment and intangible assets.

(iii) Cash flows from financing activities

Net cash used in financing activities was 2,150 million yen, a decrease of 3,889 million yen in the outflow from a year ago.

Principal factors included proceeds of 8,799 million yen from short-term loans, repayments of 7,145 million yen for short-term loans, the proceeds of 3,044 million yen from long-term loans, and repayments of 6,006 million yen.

(3) Information on the future outlook, including forecast for consolidated business results

In light of the effect of improvement in the equity in the earnings of the financial affiliate, the full-year consolidated ordinary income and net income forecasts for the fiscal year ending December 31, 2013 have been changed from the forecasts announced on May 9, 2013 in the Summary of Financial Results for the Fiscal Year Ended March 31, 2013, to ordinary income of 5,900 million yen (up 5.4% from the previous forecast) and net income of 3,000 million yen (up 11.1% from the previous forecast). The net sales forecast of 104,000 million yen and the operating income forecast of 5,700 million yen are both unchanged from the forecasts announced previously.

* The above forecasts have been prepared based on data available on the announcement date. Actual results may differ from the projections due to various factors.

2. Matters Relating to Summary Information (Notes)**(1) Important changes in subsidiaries during the six-month period under review (changes in specified subsidiaries resulting in change in scope of consolidation)**

Not applicable.

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements**(Calculation of tax expense)**

Certain consolidated subsidiaries make a reasonable estimate of the effective tax rate after the application of tax effect accounting to income before income taxes for the current fiscal year and multiply quarterly income before income taxes by the estimated effective tax rate.

(3) Changes in accounting principles and changes or restatement of accounting estimates

Not applicable.

3. Consolidated Financial Statements

(1) Consolidated balance sheet

(Thousand yen)

	FY2012 (As of March 31, 2013)	H1 FY2013 (As of September 30, 2013)
Assets		
Current assets		
Cash and deposits	12,990,227	12,734,901
Notes and accounts receivable-trade	29,000,687	27,454,068
Short-term investment securities	3,024,552	2,359,872
Merchandise	437,426	322,038
Work in process	2,101,571	1,664,451
Raw materials and supplies	27,538	34,120
Other	4,910,158	5,136,552
Allowance for doubtful accounts	-66,357	-46,945
Total current assets	52,425,804	49,659,059
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	56,702,822	56,791,251
Accumulated depreciation	-20,404,301	-21,105,906
Buildings and structures, net	36,298,521	35,685,345
Land	30,415,744	30,415,744
Construction in progress	104,348	16,860
Other	16,389,951	15,375,867
Accumulated depreciation	-11,863,382	-11,408,055
Other, net	4,526,569	3,967,811
Total property, plant and equipment	71,345,183	70,085,762
Intangible assets		
Goodwill	3,304,085	3,726,701
Software	4,268,065	4,223,242
Other	229,406	192,548
Total intangible assets	7,801,557	8,142,491
Investments and other assets		
Investment securities	14,816,269	16,882,165
Other	6,818,306	5,939,685
Allowance for doubtful accounts	-47,028	-41,160
Total investments and other assets	21,587,548	22,780,691
Total noncurrent assets	100,734,289	101,008,945
Total assets	153,160,094	150,668,004

	(Thousand yen)	
	FY2012 (As of March 31, 2013)	H1 FY2013 (As of September 30, 2013)
Liabilities		
Current liabilities		
Accounts payable-trade	8,295,215	7,420,705
Short-term loans payable	6,351,235	8,005,305
Current portion of bonds	5,000	-
Current portion of long-term loans payable	9,708,848	8,121,368
Accrued expenses	7,427,421	6,402,652
Income taxes payable	2,461,725	955,715
Provision for directors' bonuses	201,301	80,483
Provision for loss on construction contracts	257,389	42,641
Other	5,994,180	4,919,117
Total current liabilities	40,702,315	35,947,989
Noncurrent liabilities		
Long-term loans payable	14,845,271	13,470,176
Provision for retirement benefits	4,755,794	4,802,757
Provision for directors' retirement benefits	315,628	286,720
Other	3,307,663	3,843,538
Total noncurrent liabilities	23,224,357	22,403,192
Total liabilities	63,926,673	58,351,181
Net assets		
Shareholders' equity		
Capital stock	26,200,289	26,200,289
Capital surplus	28,438,965	28,505,941
Retained earnings	36,696,948	38,734,044
Treasury stock	-5,161,787	-5,175,893
Total shareholders' equity	86,174,415	88,264,382
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,779,466	2,741,395
Deferred gains or losses on hedges	26,338	13,746
Revaluation reserve for land	-9,051,088	-9,051,088
Foreign currency translation adjustment	3,994	225,271
Total accumulated other comprehensive income	-7,241,288	-6,070,676
Subscription rights to shares	95,597	16,606
Minority interests	10,204,695	10,106,511
Total net assets	89,233,420	92,316,823
Total liabilities and net assets	153,160,094	150,668,004

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

Consolidated first half results

(Thousand yen)

	H1 FY2012 (From April 1, 2012 to September 30, 2012)	H1 FY2013 (From April 1, 2013 to September 30, 2013)
Net sales	70,304,990	69,863,465
Cost of sales	53,573,107	53,168,752
Gross profit	16,731,883	16,694,712
Selling, general and administrative expenses	12,724,368	12,559,158
Operating income	4,007,515	4,135,553
Non-operating income		
Interest income	5,573	14,604
Dividends income	63,263	57,668
Equity in earnings of affiliates	—	582,233
Cancellation income for system services	57,167	127,648
Subsidy income	33,080	55,324
Other	59,605	152,081
Total non-operating income	218,690	989,560
Non-operating expenses		
Interest expenses	237,938	151,438
Equity in losses of affiliates	179,154	—
Cancellation loss for system services	4,242	137,960
Foreign exchange losses	19,847	24,362
Other	44,182	77,653
Total non-operating expenses	485,365	391,414
Ordinary income	3,740,839	4,733,699
Extraordinary income		
Gain on sales of investment securities	5,036	23,559
Gain on change in equity	—	455,926
Gain on sales of subsidiaries and affiliates' stocks	284,266	—
Gain on reversal of loss on the closure of offices	10,492	5,041
Total extraordinary income	299,795	484,527
Extraordinary loss		
Impairment loss on noncurrent assets	—	387,831
Office transfer expenses	17,451	4,098
Compensation payment	—	40,565
System migration-related expenses	—	58,100
Total extraordinary loss	17,451	490,594
Income before income taxes	4,023,183	4,727,632
Income taxes-current	1,925,753	758,728
Income taxes-deferred	393,028	1,570,107
Total income taxes	2,318,781	2,328,835
Income before minority interests	1,704,401	2,398,796
Minority interests in income	236,251	-40,937
Net income	1,468,149	2,439,734

Consolidated statements of comprehensive income
 Consolidated first half results

(Thousand yen)

	H1 FY2012 (From April 1, 2012 to September 30, 2012)	H1 FY2013 (From April 1, 2013 to September 30, 2013)
Income before minority interests	1,704,401	2,398,796
Other comprehensive income		
Valuation difference on available-for-sale securities	-385,523	983,910
Deferred gains or losses on hedges	-49,621	-23,344
Foreign currency translation adjustment	26,544	373,750
Share of other comprehensive income of associates accounted for using equity method	-59,650	-8,234
Total other comprehensive income	-468,251	1,326,082
Comprehensive income	1,236,150	3,724,879
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,017,622	3,610,945
Comprehensive income attributable to minority interests	218,528	113,934

(3) Consolidated cash flow statement

(Thousand yen)

	H1 FY2012 (From April 1, 2012 to September 30, 2012)	H1 FY2013 (From April 1, 2013 to September 30, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	4,023,183	4,727,632
Depreciation	3,313,543	3,195,464
Impairment loss on noncurrent assets	—	387,831
System migration-related expenses	—	58,100
Amortization of goodwill	164,482	222,991
Increase (decrease) in provision for retirement benefits	85,627	46,963
Interest expenses	237,938	151,438
Loss (gain) on sales of investment securities	-5,036	-23,559
Loss (gain) on sales of stocks of subsidiaries and affiliates	-284,266	—
Equity in (earnings) losses of affiliates	179,154	-582,233
Loss (gain) on change in equity	—	-455,926
Decrease (increase) in notes and accounts receivable-trade	1,493,801	1,621,802
Decrease (increase) in inventories	-472,528	552,956
Increase (decrease) in notes and accounts payable-trade	-369,782	-911,503
Increase (decrease) in accounts payable-labor cost	441,722	-685,280
Increase (decrease) in accrued consumption taxes	-607,871	-216,956
Increase (decrease) in accounts payable-other	-396,824	-569,288
Decrease (increase) in long-term prepaid expenses	-126,958	-235,700
Increase (decrease) in provision for loss on construction contracts	-21,703	-214,748
Other	367,079	-1,286,797
Subtotal	8,021,561	5,783,184
Interest and dividends income received	70,011	184,450
Interest expenses paid	-226,064	-123,171
Income taxes paid	-1,157,459	-2,292,397
Net cash provided by (used in) operating activities	6,708,048	3,552,065
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-206,885	-703,797
Purchase of intangible assets	-1,197,680	-1,692,203
Purchase of short-term investment securities	—	-280,402
Proceeds from sales of short-term investment securities	—	652,529
Purchase of investment securities	-42,553	-773,457
Proceeds from sales of investment securities	118,376	702,511
Purchase of investments in subsidiaries	-459,896	-47,600
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	784,234	—
Other	144,114	41,240
Net cash provided by (used in) investing activities	-860,290	-2,101,180

(Thousand yen)

	H1 FY2012 (From April 1, 2012 to September 30, 2012)	H1 FY2013 (From April 1, 2013 to September 30, 2013)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	7,915,000	8,799,800
Decrease in short-term loans payable	-11,283,980	-7,145,730
Proceeds from long-term loans payable	2,599,002	3,044,289
Repayment of long-term loans payable	-4,562,130	-6,006,864
Purchase of treasury stock	-175	-434,382
Cash dividends paid	-314,245	-405,070
Cash dividends paid to minority shareholders	-138,722	-130,083
Repayments of lease obligations	-249,825	-302,666
Proceeds from exercise of stock option	–	434,858
Other	-5,000	-5,000
Net cash provided by (used in) financing activities	-6,040,077	-2,150,849
Effect of exchange rate change on cash and cash equivalents	-5,462	125,050
Net increase (decrease) in cash and cash equivalents	-197,782	-574,914
Cash and cash equivalents at beginning of period	13,279,487	13,698,127
Increase in cash and cash equivalents from newly consolidated subsidiary	110,564	12,664
Cash and cash equivalents at end of period	13,192,269	13,135,876

(4) Notes to consolidated financial statements

(Note on going concern assumptions)

Not applicable.

(Note when there is a considerable change in the amount of shareholders' equity)

Not applicable.

(Segment Information)

[Segment Information]

I. H1 FY2012 (From April 1, 2012 to September 30, 2012)

1. Information on Sales and Profit and Loss by Reported Segment

(Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount on first-half consolidated statements of income (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	66,078,169	954,642	67,032,811	3,272,179	70,304,990	–	70,304,990
Inter-segment sales or transfers	21,937	364,689	386,627	431,927	818,554	(818,554)	–
Total	66,100,107	1,319,331	67,419,438	3,704,106	71,123,545	(818,554)	70,304,990
Segment profit	3,551,922	339,844	3,891,767	114,412	4,006,180	1,334	4,007,515

Notes:

1. "Others" is a business segment that is not included in the reported segments and includes the data entry business and contact center business etc.
2. An adjustment of segment profit of minus 1,334,000 yen includes an elimination of inter-segment transactions of minus 1,334,000 yen.
3. The segment profit has been adjusted to the operating income stated in the consolidated income statement.

2. Information on Impairment Loss in Fixed Assets and Goodwill by Reported Segment

Not applicable.

II. H1 FY2013 (From April 1, 2013 to September 30, 2013)

1. Information on Sales and Profit and Loss by Reported Segment

(Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount on first-half consolidated statements of income (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	65,450,597	1,020,157	66,470,754	3,392,710	69,863,465	–	69,863,465
Inter-segment sales or transfers	29,956	313,467	343,423	569,056	912,480	(912,480)	–
Total	65,480,553	1,333,625	66,814,178	3,961,767	70,775,945	(912,480)	69,863,465
Segment profit	3,705,652	336,682	4,042,334	93,139	4,135,474	78	4,135,553

Notes:

1. "Others" is a business segment that is not included in the reported segments and includes the data entry business and contact center business etc.
2. An adjustment of segment profit of minus 78,000 yen includes an elimination of inter-segment transactions of minus 78,000 yen.
3. The segment profit has been adjusted to the operating income stated in the consolidated income statement.

2. Information on Impairment Loss in Fixed Assets and Goodwill by Reported Segment

Material impairment loss on fixed assets

In the SI business segment, the full carrying amount of assets affected by changes in business content and withdrawal from certain businesses was recorded as a loss on the impairment of fixed assets in extraordinary loss. In the first half under review, the amount recorded as loss on the impairment of fixed assets is 387,831,000 yen.